

**MAYOR'S COLUMN****SURVIVING THE HOUSING DOWNTURN**  
**A BLOOMINGTON HOUSING MARKET PERSPECTIVE**

By Mayor Gene Winstead

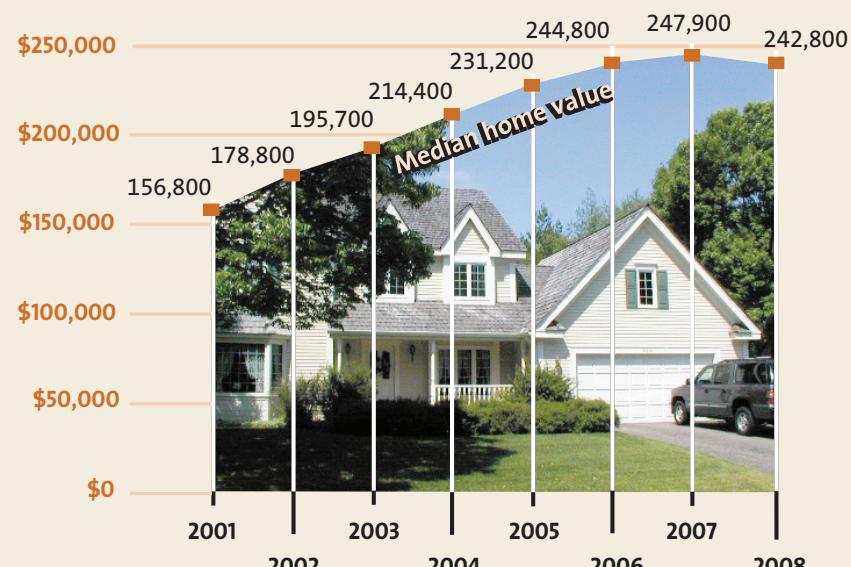
**A**s a Bloomington homeowner, the housing market is of great importance to me. Although I can't predict the future, I've been following the local market closely and I'm confident that Bloomington homes will stand the test of time and homeowners will weather this volatile market.

Stories about the subprime mortgage crisis, a slow economy and a downturn in the housing market have, no doubt, left many homeowners concerned about the status of the homes in their neighborhoods. These stories often reflect the conditions in the most impacted cities in the country. This is one time when it's good that Bloomington is not in the news.

The City of Bloomington is tracking data on mortgage foreclosures and the status of properties that have been foreclosed. I'm happy to report that Bloomington housing has had only a limited increase in foreclosures, and that the foreclosed properties are being sold to new owners and not sitting vacant. It has helped that Bloomington has not experienced a major decrease in values. While some communities around the country have been hard hit, Bloomington residents continue to



In the 1950s, ramblers had an assessed market value of \$10,000 - \$12,000. Today, they are worth more than 20 times that value in addition to being movie stars! See details on page 3.

**2001 - 2008 MEDIAN HOME VALUE**

reinvest in their homes and the housing market here remains steady. Currently, Bloomington has a low percentage of homes in foreclosure when compared to other communities in Hennepin County. In addition, Hennepin County's home values are stable when compared to other cities that are struggling with steep value declines and foreclosures.

Bloomington's housing market is resilient. With the exception of the past year of this decade, home values have steadily increased and have not experienced a large speculative price run-up. A recent housing market adjustment has led to a 2.1 percent decline in single-family median home assessed value from 2007 - 2008. Current sales data indicates the upcoming 2009 assessment will continue to reflect this general market slowdown. Yet even with this price correction, a look at the 10-year trend shows that Bloomington's median home value has approximately doubled during the last decade.

Another sign of a healthy housing market is residents reinvesting in their homes through upkeep and home improvement projects. In 2007, the City issued 750 permits for residential remodeling projects. Another 1,500 permits were issued for significant maintenance projects such as roofing, siding, driveways and decks. The Building and Inspection Division reviews construction plans for consistency with codes, issues grading and building permits and inspects work at critical points during construction.

If you are thinking about making improvements to your home, but not sure where to start, or what improvements will add the most value, the Bloomington Housing and Redevelopment Authority has resources to help you. Visit the City's Web site at [www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us), keyword: Home improvements.

**2009 GENERAL FUND BUDGET**  
**COUNCIL APPROVES PRELIMINARY BUDGET AND LEVY**

**A**t a September meeting, the City Council approved a preliminary general operating fund budget of \$54,970,228, a 5.73 percent increase from the 2008 budget of \$51,992,043.

For a Bloomington resident with a median-valued home of \$242,800, the cost of City services is estimated to be \$66.84 for 2009, which is an average annual increase of 3.25 percent since 2007. In 2007, the cost of City services was \$62.82. In 2008, the monthly cost for City services was \$61.80. The decrease was due to commercial and industrial properties increasing at a faster rate than single-family residential properties.

The cost for City services would increase \$4.88 per month in 2009 for a monthly payment of \$66.84. The median-valued home averaged a 2 percent decrease in market value in 2008, down \$5,100 from 2007. The approval of a preliminary levy of \$44,577,096 for 2009, a 6 percent increase from 2008, in part anticipates the possible loss of market value credit from the state in 2009.

The preliminary levy can be reduced, but not increased, before final adoption in December. This allows the City to adjust for anticipated 2009 economically sensitive resources, including a potential state reduction in

**The Truth in Taxation**

Hearing is **Monday, December 1, at 6 p.m.** in the Council Chambers at Civic Plaza.

market value credit during the 2009 Legislative Session. Any reduction is based on the projected financial conditions in the state's November economic forecast. If the final 2009 levy increase is approved at this preliminary level, the average annual increase in the City's levy from 1995 - 2009 will be 3.72 percent.

City staff uses a five-year planning model that considers both short-term and future needs of our community to recommend a preliminary levy.

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The Briefing, published bimonthly by the City of Bloomington, is mailed to our residents and businesses. Direct comments and requests for Braille, larger print or computer disk to Communications Administrator Janine Hill, 1800 W. Old Shakopee Rd., Bloomington MN 55431-3027; PH 952-563-8819; TTY 952-563-8740; FAX 952-563-8715; E-MAIL [jhill@ci.bloomington.mn.us](mailto:jhill@ci.bloomington.mn.us).

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*Elected officials presented for informational purposes.*

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*The City of Bloomington complies with all applicable provisions of the Americans with Disabilities Act (ADA), Section 504 of the Rehabilitation Act of 1973, and does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its services, programs, or activities. Upon request, accommodation will be provided to allow individuals with disabilities to participate in all City of Bloomington services, programs, and activities. The City has designated coordinators to facilitate compliance with the Americans with Disabilities Act of 1990 (ADA), and to coordinate compliance with Section 504 of the Rehabilitation Act of 1973 as mandated by the U.S. Department of Housing and Urban Development regulations. For more information, contact the Human Services Division, City of Bloomington, 1800 West Old Shakopee Road, Bloomington, MN 55431-3027; (952)563-8733 (Voice); 952-563-8740 (TTY).*

*Upon request, this information can be available in Braille, large print, audio tape and/or electronic format.*